

Filing at a Glance

Companies: Hartford Insurance Company of the Midwest, Property and Casualty Insurance Company of Hartford, Trumbull Insurance Company

Product Name: Revised AARP PULP Rates and Rules SERFF Tr Num: HART-125241365 State: Arkansas

TOI: 17.0 Other Liability - Claims SERFF Status: Closed State Tr Num: AR-PC-07-025534
Made/Occurrence

Sub-TOI: 17.0021 Personal Umbrella and Co Tr Num: State Status: Pending Fees
Excess FN.17.095/RWG.2007.02

Filing Type: Rate Co Status: Initial Filing Reviewer(s): Alexa Grissom, Betty
Montesi, Brittany Yielding
Disposition Date: 07-26-2007

Authors: Joyce Driscoll, Claire
Dubord, David Logan, Angela
Isaac

Date Submitted: 07-24-2007

Effective Date Requested (New): 10-03-2007

Effective Date Requested (Renewal): 11-21-2007

Disposition Status: Filed

Effective Date (New): 10-03-2007

Effective Date (Renewal): 11-21-
2007

General Information

Project Name: Revised AARP PULP Rates and Rules

Project Number: FN.17.095/RWG.2007.02

Reference Organization:

Reference Title:

Filing Status Changed: 07-26-2007

State Status Changed: 07-24-2007

Corresponding Filing Tracking Number:

Filing Description:

We herewith file the revised AARP Personal Umbrella Liability Policy rates and rules as described in the Explanatory Memorandum.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Company and Contact

Filing Contact Information

Joyce Driscoll, Filing Analyst

690 Asylum Avenue

Hartford, CT 06055

joyce.driscoll@thehartford.com

(860) 547-3468 [Phone]

(860) 547-5941[FAX]

Filing Company Information

Hartford Insurance Company of the Midwest

CoCode: 37478

State of Domicile: Indiana

Hartford Plaza
Hartford, CT 06115
(860) 547-5000 ext. [Phone]

Group Code: 91
Group Name:
FEIN Number: 06-1008026

Company Type: Property
State ID Number:

Property and Casualty Insurance Company of
Hartford

CoCode: 34690

State of Domicile: Indiana

Hartford Plaza
Hartford, CT 06115
(860) 547-5000 ext. [Phone]

Group Code: 91
Group Name:
FEIN Number: 06-1276326

Company Type: Property
State ID Number:

Trumbull Insurance Company
Hartford Plaza
Hartford, CT 06115
(860) 547-5000 ext. [Phone]

CoCode: 27120
Group Code: 91
Group Name:
FEIN Number: 06-1184984

State of Domicile: Connecticut
Company Type: Property
State ID Number:

Filing Fees

Fee Required? Yes
Fee Amount: \$100.00
Retaliatory? No
Fee Explanation:
Per Company: No

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
25412253	\$100.00	07-13-2007

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Alexa Grissom	07-26-2007	07-26-2007

Disposition

Disposition Date: 07-26-2007

Effective Date (New): 10-03-2007

Effective Date (Renewal): 11-21-2007

Status: Filed

Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Hartford Insurance Company of the Midwest	14.900%	\$5,949	240	\$40,003	15.000%	14.800%	0.000%
Property and Casualty Insurance Company of Hartford	17.500%	\$3,272	106	\$18,730	61.700%	14.800%	0.000%
Trumbull Insurance Company	0.000%	\$0	0	\$0	0.000%	0.000%	0.000%

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Explanatory Memorandum	Filed	Yes
Rate	Manual Pages	Filed	Yes

Rate Information

Rate data applies to filing.

Filing Method:	File & Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	01-04-2005
Filing Method of Last Filing:	File & Use

Company Rate Information

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Hartford Insurance Company of the Midwest	14.900%	\$5,949	240	\$40,003	15.000%	14.800%	80.800%
Property and Casualty Insurance Company of Hartford	17.500%	\$3,272	106	\$18,730	61.700%	14.800%	80.800%
Trumbull Insurance Company	0.000%	\$0	0	\$0	0.000%	0.000%	0.000%

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:	0.000%
Overall Percentage Rate Impact For This Filing:	0.000%
Effect of Rate Filing - Written Premium Change For This Program:	\$9,221
Effect of Rate Filing - Number of Policyholders Affected:	346

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Filed	Manual Pages	PUP-2 thru PUP-4	Replacement	AR-PC-07-023783	AR AARP PUP Filing eff 10-3-07 Manual Pages.pdf

ARKANSAS
PERSONAL UMBRELLA LIABILITY COVERAGE RULES
HARTFORD INSURANCE COMPANY OF THE MIDWEST
PROPERTY AND CASUALTY INSURANCE COMPANY OF HARTFORD
TRUMBULL INSURANCE COMPANY

7. RETAINED LIMIT

The minimum retention by the insured for occurrences not covered by underlying insurance does not apply. Higher retentions are available at reduced premiums.

8. UNIQUE AND UNUSUAL EXPOSURES

Risks with any unique or unusual exposure(s) - Refer to Company. If a unique rate is developed for such an exposure, an individual risk filing must be made with the Arkansas Department of Insurance.

9. TERRITORIES

	Territory
Entire State	1

RATING PROCEDURE

NOTE: All premiums displayed are annual premiums.

The premium developed is the one (1) year advance premium for a single limit of \$1,000,000 each occurrence with no retained limit.

★ Step 1 Annual Base Premium

The Annual Base Premium for Personal Umbrella Liability Coverage only includes coverage for:

- Personal residence or farm premises, including incidental office occupancy;
- loss in excess of the retained limit;
- automobiles not owned, leased or furnished for regular use;
- watercraft, if outboard not over 25 H.P., inboard not over 50 H.P. or sailboat under 26 feet.

Determine the annual base premium for the territory in which the insured is located.

	Territory
	1
Annual Base Premium	\$101

★ Step 2 Premium Additions

- (a) If the insured owns, leases, or has an automobile furnished for his regular use, add the applicable amount for the one automobile to the base premium. For more than one automobile, add the applicable amount shown for each additional automobile to the premium already determined. For each operator under age 25, add the applicable premium.

	Territory
	1
One Automobile	\$32
Each Additional Automobile	16
Each Operator 16 to 20	130
Each Operator 21 to 24	75

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HARTFORD INSURANCE COMPANY OF THE MIDWEST
PROPERTY AND CASUALTY INSURANCE COMPANY OF HARTFORD
TRUMBULL INSURANCE COMPANY

- ★(b) If a watercraft exposure exists involving an out-board over 25 H.P., inboard over 50 H.P., or a sail-boat 26 feet or more add the applicable watercraft premium to the premium already determined.

Territory

1

\$40

- ★(c) If an additional residence premises exposure exists, add the applicable premium for each additional residence premises to the premium already determined.

Territory

1

\$17

- ★(d) If a business pursuits exposure exists, add the applicable premium to the premium already determined.

Territory

1

\$18

- ★(e) If a day care exposure exists, add the applicable premium to the premium already determined.

Territory

1

\$109

- ★(f) If a recreational vehicle or personal watercraft exposure exists, add the applicable premium for each exposure to the premium already determined.

Territories

1

All Terrain Vehicle (ATV)	\$46 per vehicle
Snowmobile	\$35 per vehicle
Registered Golf Cart	\$17 per vehicle
Personal Watercraft	\$69 per watercraft

For operators under the age of 25 add	\$29 per operator
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ARKANSAS
PERSONAL UMBRELLA LIABILITY COVERAGE RULES
HARTFORD INSURANCE COMPANY OF THE MIDWEST
PROPERTY AND CASUALTY INSURANCE COMPANY OF HARTFORD
TRUMBULL INSURANCE COMPANY

★ **Step 3 Premium Reductions**

- (a) If the underlying automobile limits are over \$250,000/\$500,000 bodily injury, reduce the premium by the applicable amount.

	Territory
	1
Bodily Injury over \$250/\$500	\$6
Single Limit over \$300,000	8

- (b) If a retained limit applies, the premium shall be reduced by the applicable amounts shown below.

Retained Limit	Territory
	1
\$1,000	\$ 5
\$5,000	9
\$10,000	12

★ **Step 4 Increased Limits**

Liability Limits higher than \$1 million shall be determined by multiplying the premium developed for a \$1 million limit by the appropriate increased limit factor. The premium is then rounded to the whole dollar.

Increased Limit	Factor
\$2,000,000	1.75
\$5,000,000	2.25

★ **Step 5 Uninsured/Underinsured Motorists Coverage**

If \$1,000,000 Uninsured/Underinsured Motorist Coverage is desired, add the applicable premium.

	Territory
	1
One Automobile	\$20
Each Additional Automobile	9

★ **Step 6 Total PUP Policy Premium**

The total PUP policy premium is determined by taking the higher amount from either the product of steps 1 through 5, or the PUP Minimum Premium.

The PUP Minimum Annual Premium is \$138, multiplied by the appropriate increased limit factor from Step 4 for policy limits above \$1 million

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document- Property & Casualty		Review Status: Filed	07-26-2007
Comments: Attached is the Property & Casualty Transmittal Document.			
Attachment: AR PC-TD-1 2007 FN17095RWG200702.pdf			
Satisfied -Name: NAIC loss cost data entry document		Review Status: Filed	07-26-2007
Comments: Attached is the Loss Costs Data Entry Documents.			
Attachment: AR LOSS COST DATA ENTRY RF1 FN17095RWG200702.pdf			
Satisfied -Name: Explanatory Memorandum		Review Status: Filed	07-26-2007
Comments: Attached is the Explanatory Memorandum.			
Attachment: AR AARP PUP Filing eff 10-3-07 EM FN17095RWG200702.pdf			

Property & Casualty Transmittal Document


1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="border: none; text-align: center;">New Business</td> <td style="border: none; width: 150px;"></td> </tr> <tr> <td style="border: none; text-align: center;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
Hartford Financial Services Group	00914

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Hartford Ins. Co. of the Midwest	Indiana	00914-37478	06-1008026	
Trumbull Ins. Co.	Connecticut	00914-27120	06-1184984	
Property & Casualty Ins. Co. of Hartford	Indiana	00914-34690	06-1276326	

5. Company Tracking Number	FN.17.095/RWG.2007.02
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Joyce Driscoll, Technical Services, T-1-54	Filing Analyst			
	Hartford Plaza, Hartford, CT 06115		860-547-3468	860-547-5941	Joyce.Driscoll@TheHartford.com
	7. Signature of authorized filer				
	8. Please print name of authorized filer		Joyce Driscoll		

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	17.0 Other Liability
10. Sub-Type of Insurance (Sub-TOI)	Personal Umbrella Liability Policy
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	PC
12. Company Program Title (Marketing title)	Mature Market
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 10/3/07 Renewal: 11/21/07
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A
18. Company's Date of Filing	July 24, 2007
19. Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	FN.17.095/RWG.2007.02
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21.	Filing Description	[This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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We herewith file the revised rates and rules for the Personal Umbrella Liability Policy Manual as described in the Explanatory Memorandum and shown on the revised manual pages, PUP-2 through PUP-4.

As required, enclosed is the NAIC Loss Cost Data Entry Document. The filing fee will be mailed under separate cover.

22.	Filing Fees	(Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
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Check #: 25412253

Amount: \$100.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	FN.17.095/RWG.2007.02
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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Company Name		Company NAIC Number	
3.	A. Hartford Insurance Company of the Midwest	B.	37478

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. Personal Umbrella Liability	B.	Personal Umbrella

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Personal Umbrella	80.80%	14.9%					
TOTAL OVERALL EFFECT	0.808	0.149					

6.

5 Year History

Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	276	0.0%	1/4/2005	45,000	0	0%	72.8%
2004	291	24.9%	4/1/2004	39,267	0	0%	82.7%
2003	312			39,402	0	0%	56.8%
2002	340			42,191	0	0%	67.2%
2001	345			40,397	0	0%	43.2%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	
B. General Expense	27.4%
C. Taxes, License & Fees	2.4%
D. Underwriting Profit & Contingencies	7.8%
E. Other (explain)	
F. TOTAL	37.6%

8. N/A Apply Lost Cost Factors to Future filings? (Y or N)

9. 15.0% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):

10. N/A Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

PC RLC

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	FN.17.095/RWG.2007.02
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
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Company Name		Company NAIC Number	
3.	A. Property and Casualty Insurance Company of Hartford	B.	34690

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. Personal Umbrella Liability	B.	Personal Umbrella

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Personal Umbrella	80.80%	17.5%					
TOTAL OVERALL EFFECT	0.808	0.175					

6.

5 Year History

Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	75	0.0%	1/4/2005	13,429	0	0%	72.8%
2004	59	24.9%	4/1/2004	8,589	0	0%	82.7%
2003	38			4,895	0	0%	56.8%
2002	18			2,243	0	0%	67.2%
2001	1			106	0	0%	43.2%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	
B. General Expense	27.4%
C. Taxes, License & Fees	2.4%
D. Underwriting Profit & Contingencies	7.8%
E. Other (explain)	
F. TOTAL	0.376

8. N/A Apply Lost Cost Factors to Future filings? (Y or N)

9. 61.7% Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):

10. N/A Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

PC RLC

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	FN.17.095/RWG.2007.02
----	---	-----------------------

2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	N/A
----	---	-----

Company Name		Company NAIC Number	
3.	A. Trumbull Insurance Company	B.	27120

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A. Personal Umbrella Liability	B.	Personal Umbrella

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Personal Umbrella	N/A	N/A					
TOTAL OVERALL EFFECT	#VALUE!						

6.

5 Year History

Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
N/A - new company effective 6/1/07							

7.

Expense Constants	Selected Provisions
A. Total Production Expense	N/A
B. General Expense	N/A
C. Taxes, License & Fees	N/A
D. Underwriting Profit & Contingencies	N/A
E. Other (explain)	N/A
F. TOTAL	N/A

8. N/A Apply Lost Cost Factors to Future filings? (Y or N)

9. N/A Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable):

10. N/A Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable):

PC RLC

The Hartford
Personal Umbrella Liability Policy

Rate and Rule Change
Explanatory Memorandum

Hartford Insurance Company of the Midwest
Property & Casualty Insurance Company of Hartford
Trumbull Insurance Company

Arkansas

This filing modifies the current Personal Umbrella Liability Policy (PULP) rules and rates. The changes proposed are on a countrywide basis. PULP, which is an endorsement to our Personal Auto Policy, provides excess personal liability coverage extending beyond underlying personal liability coverage. PULP Limits of \$1 Million, \$2 Million or \$5 Million may be purchased. The above companies insure members of the American Association of Retired Persons (AARP).

This filing raises the PULP Rates. Since this program insures members of AARP, relatively few policies include youthful operators. We recently expanded our PULP eligibility guidelines in our agency channel to include youthful operators. We filed, and received approval, to adopt the AARP youthful operator rates in our independent agency companies. Now that we have a credible amount of experience, it is clear that the youthful rates are too low.

Support for the total rate change is provided on the attached exhibits. We currently insure 346 Personal Umbrella Policies. We estimate the total impact is \$9,221, which is a 15.7% increase on the Umbrella premium and a 1.6% increase on the total policy premium.

Enclosed are revised rules and rates pages. Comments or questions can be directed to the undersigned at (860) 378-3776.

Bertrand J. LaChance, FCAS, MAAA.
Product Development Actuary

**Personal Umbrella Liability Insurance
Determination of Indicated Rate Level Changes**

Personal Lines Countrywide	
1a. 2007 Direct Countrywide Earned Premium Estimate	\$31,245,474
1b. AR Base Rate Adjustment Factor	1.00
1c. 2007 Direct State Adjusted Earned Premium Estimate	\$31,245,474
2. Average Annual Ultimate Loss	\$30,919,802
ALAE	\$618,396
ULAE	\$3,679,456
3. Loss and LAE Ratio	112.7%
4. Expense Provision	
Commission	0.0%
Reinsurance	8.2%
Underwriting Expense	19.2%
Taxes, Licenses and Fees	2.4%
5. Profit (Target ROE 15%)	7.8%
6. Permissible Loss and LAE Ratio (100% - (4) - (5))	62.3%
7. Indicated Rate Change (3)/(6)-1	80.8%

Direct Earned Premium Estimate is estimated by multiplying the 2007 estimated earned exposures and the current average premium. The 2007 exposures are estimated by trending the historical earned exposures.

Due to the sparsity of our Personal Umbrella data we followed curve fitting techniques and Monte Carlo simulation to produce credible loss data. We simulated 10,000 accident years using loss frequency and severity derived from historical data to produce the Average Annual Ultimate Loss. Losses are developed to ultimate and trended to 3/1/2007. Countrywide losses are 100% credible.

Commission, underwriting expenses, taxes, and ULAE are based on Insurance Expense Exhibits and internal reports at a detailed line of business level. Reinsurance expense our 2007 reinsurance costs less expected loss recoveries. Profit is based on a total return method using Personal Umbrella leverage, expenses and payment patterns.

Personal Umbrella Liability Insurance

Arkansas

**Hartford Insurance Company of the Midwest
Property & Casualty Insurance Company of Hartford
Trumbull Insurance Company**

Proposed Rate Changes

Exposure Base	Current Rate	Proposed Rate
Territory	1	1
Base Rate	88	101
Youthful Operator		
Ages 16 - 20	26	130
Ages 21 - 24	15	75
Automobiles		
One Automobile	28	32
Each Additional Automobile	14	16
Watercraft	35	40
Additional Residences	15	17
Business Pursuits	16	18
Day Care	95	109
Recreational Vehicles		
All Terrain Vehicle (ATV)	40	46
Snowmobile	30	35
Registered Golf Cart	15	17
Personal Watercraft	60	69
Operators under 25 years old	25	29
Premium Reductions		
BI Limit over \$250/\$500	5	6
CSL over \$300K	7	8
Retained Limit		
\$1,000	4	5
\$5,000	8	9
\$10,000	10	12
Uninsured Motorists Coverage		
One Automobile	17	20
Each Additional Automobile	8	9
Minimum Premium	120	138

**The Hartford
Personal Umbrella Policy**

**Hartford Insurance Company of the Midwest
Property and Casualty Insurance Company of Hartford
Trumbull Insurance Company**

Arkansas

Statistical Justification for the Proposed Increase

The average annual ultimate loss from line 2 of the Indication Exhibit that was included in the original filing is derived using a Monte Carlo simulation of 10,000 accident years. The simulation used historical loss frequency and severity data. Losses were developed to ultimate and trended to 3/1/2007. The attached exhibit 1 is an example of one simulation. This process was repeated 10,000 times to produce credible loss data. Exhibit 2 shows the assumptions made for the simulation model, with distributions based on the policy year 2005 book of business. Exhibit 3 demonstrates the process by which we used historical data and data from the Monte Carlo simulation to develop and trend our losses, giving us our projections for 2007. Line 2 of our Indication Exhibit, Average Annual Ultimate Loss, is our selected ultimate loss from our 2007 projections in Exhibit 3.

Line 1 of the Indication Exhibit is derived from the attached Exhibit 3. We made a selection for 2007 projected earned exposures by taking an exponential trend for Accident Years 2003 through 2006. We multiply this projection of earned exposures by our 2007 projection of premium per exposure to get the earned premium figure from line 1 of the Indication Exhibit.

Exhibit 4 provides support for the fact that our rates for youthful operators are increasing more than the others. It shows loss ratios for policies with and without youthful operators. We believe that the significantly higher loss ratios for policies with youthful operators justify a larger increase in youthful rates than any other rates.

Exhibit 1

[A] Claim Count	[B] Claim Type	[C] Underlying Limit	[D] Gross Losses	[E] Loss Net Underlying	[F] Policy Limit	[G] Capped Losses	[H] Reinsurance Recoveries
1	AUTO	250,000	657,811	407,811	1,000,000	407,811	0
2	HOME	300,000	893,354	593,354	1,000,000	593,354	0
3	HOME	300,000	575,106	275,106	1,000,000	275,106	0
4	HOME	300,000	934,873	934,873	5,000,000	934,873	0
5	AUTO	500,000	1,344,183	844,183	2,000,000	844,183	0
6	HOME	500,000	1,020,382	520,382	1,000,000	520,382	0
7	AUTO	250,000	1,157,757	907,757	1,000,000	907,757	0
8	HOME	300,000	1,123,692	823,692	1,000,000	823,692	0
9	AUTO	250,000	468,641	218,641	2,000,000	218,641	0
10	AUTO	250,000	931,746	681,746	1,000,000	681,746	0
11	HOME	300,000	824,860	524,860	1,000,000	524,860	0
12	AUTO	250,000	1,149,540	899,540	2,000,000	899,540	0
13	AUTO	250,000	515,786	265,786	1,000,000	265,786	0
14	AUTO	250,000	293,411	43,411	1,000,000	43,411	0
15	AUTO	250,000	462,052	212,052	2,000,000	212,052	0
16	AUTO	250,000	455,056	205,056	1,000,000	205,056	0
17	AUTO	250,000	925,666	675,666	1,000,000	675,666	0
18	AUTO	250,000	1,794,427	1,544,427	1,000,000	1,000,000	0
19	HOME	300,000	459,408	159,408	1,000,000	159,408	0
20	AUTO	250,000	2,521,065	2,271,065	1,000,000	1,000,000	0
21	HOME	300,000	810,516	510,516	1,000,000	510,516	0
22	HOME	300,000	510,456	210,456	1,000,000	210,456	0
23	AUTO	250,000	640,798	390,798	1,000,000	390,798	0
24	HOME	300,000	1,083,475	783,475	1,000,000	783,475	0
25	AUTO	250,000	1,887,522	1,637,522	5,000,000	1,637,522	382,513
26	AUTO	250,000	721,139	471,139	1,000,000	471,139	0
27	HOME	500,000	932,753	432,753	1,000,000	432,753	0
28	AUTO	250,000	2,355,612	2,105,612	1,000,000	1,000,000	0
29	AUTO	500,000	504,773	4,773	1,000,000	4,773	0
30	HOME	300,000	1,407,378	1,107,378	2,000,000	1,107,378	64,427
31	AUTO	250,000	667,878	417,878	1,000,000	417,878	0
32	AUTO	250,000	1,576,876	1,326,876	1,000,000	1,000,000	0
33	AUTO	250,000	2,534,384	2,284,384	1,000,000	1,000,000	0
34	HOME	300,000	356,191	56,191	2,000,000	56,191	0
35	AUTO	250,000	1,257,643	1,007,643	1,000,000	1,000,000	0
36	AUTO	250,000	2,279,249	2,029,249	1,000,000	1,000,000	0
37	HOME	300,000	341,930	41,930	5,000,000	41,930	0
38	HOME	500,000	1,034,319	534,319	2,000,000	534,319	0
39	HOME	300,000	846,404	546,404	5,000,000	546,404	0
40	AUTO	250,000	995,784	745,784	2,000,000	745,784	0
41	AUTO	250,000	887,823	637,823	1,000,000	637,823	0
42	AUTO	250,000	423,972	173,972	1,000,000	173,972	0
43	HOME	300,000	1,858,274	1,558,274	1,000,000	1,000,000	0
44	HOME	300,000	1,176,317	876,317	1,000,000	876,317	0
45	AUTO	250,000	597,347	347,347	1,000,000	347,347	0
46	AUTO	250,000	557,719	307,719	1,000,000	307,719	0
Total			46,755,349	33,555,349		27,427,818	446,940

Notes:

[A] - Simulated based on Poisson Frequency Distribution with Lambda Parameter = 62.613

Lambda from Trend Exhibit Row [N] Column [E].

[B] - Simulated using Claim Type distribution from Simulation Exhibit 2

[C] - Simulated using Underlying Limit distribution from Simulation Exhibit 2

[D] - Simulated based on Lognormal Distribution with Mu Parameter = 13.406 and Sigma = 0.586

Mu and Sigma from Simulation Exhibit 1.

[E] = [D] - [C]

[F] - Simulated using Policy Limit distribution from Simulation Exhibit 2

[G] = Minimum of [E] and [F].

[H] = 0 if [G] < 1,000,000; Otherwise = 60% * ([G] - 1,000,000).

Process repeated 10,000 times.

Exhibit 2

The Hartford Insurance Group
Personal Umbrella
Simulation Model Assumptions

Claim Type

Type	Distribution
AUTO	68.4%
HOME	31.2%
PERS INJ	0.4%

Underlying Limit

AUTO	HOME	PERS INJ	Distribution
250,000	300,000	0	92.1%
300,000	300,000	0	0.0%
500,000	500,000	0	7.9%

Policy Limit

Limit	Distribution
1,000,000	83.5%
2,000,000	11.6%
5,000,000	4.9%

Notes:
Distributions based on policy year 2005 book of business

The Hartford Insurance Group
Personal Umbrella

Exhibit 3

Evaluated as of 3/31/2006

[A] Accident Year	[B] Ultimate Severity	[C] Ultimate Frequency	[D] Earned Exposures	[E] Claim Counts	[F] Prem per Exposure	[G] Earned Premium	[H] Ultimate Loss
1996	251,142	0.1722	34,835	6	146	5,091,838	1,506,851
1997	156,018	0.1028	58,339	6	151	8,812,269	936,111
1998	207,977	0.1796	66,829	12	154	10,305,228	2,495,720
1999	332,027	0.2873	80,365	23	156	12,544,828	7,666,935
2000	240,124	0.3121	96,517	30	159	15,300,533	7,232,309
2001	337,141	0.2058	106,560	22	161	17,109,049	7,395,215
2002	347,010	0.3150	114,279	36	163	18,582,553	12,492,223
2003	309,418	0.3025	114,405	35	165	18,854,179	10,708,183
2004	352,247	0.4417	117,705	52	188	22,141,909	18,315,424
2005	463,930	0.3352	125,206	42	214	26,755,328	19,470,082
2006	486,916	0.3645	129,155	47	220	28,460,886	22,924,611

[I]	10 Pt	8.3%	11.3%	12.3%
[J]	6 Pt	9.5%	7.5%	4.6%
[K]	Selected	8.3%	9.4%	4.3%

	2007		Projections				
[L]	10 Pt	482,557	0.4998	184,913	92	231	42,761,644 44,601,042
[M]	6 Pt	501,126	0.4270	136,119	58	231	31,478,026 29,125,579
[N]	Selected	493,824	0.4634	135,114	63	231	31,245,474 30,919,802

Notes

[A] - Given

[B] = Loss Development Exhibit 1 Column [AA]

[C] = Loss Development Exhibit 1 Column [Z]

[D] = Loss Development Exhibit 1 Column [N]

[E] = [C] * [D] / 1000

[F] = Loss Development Exhibit 1 Column [B] / Loss Development Exhibit 1 Column [N]

[G] = [D] * [F]

[H] = [B] * [C] * [D] / 1000

[I] - Exponential Trend using Accident Years 1996 thru 2005

[J] - Exponential Trend using Accident Years 2000 thru 2005

[K] - Ultimate Severity - Selected 10 Pt. Trend

[K] - Ultimate Frequency - Selected Average of 6 Pt. and 10 Pt. Trend

[K] - Ultimate Exposures - Selected Exponential Trend for Accident Years 2003 thru 2006

[L] - Extrapolated thru 3/1/2007 using 10 Pt trend.

[M] - Extrapolated thru 3/1/2007 using 6 Pt trend.

[N] - Ultimate Severity - Selected from Size of Loss Fitting & Monte Carlo Simulation.

[N] - Ultimate Frequency - Selected average of 6 Pt trend and 10 Pt trend.

[N] - Ultimate Exposures - Selected Exponential Trend for Accident Years 2003 thru 2006

The Hartford Insurance Group

Personal Umbrella - Agency

Evaluated as of 3/31/2006

Policies effective December 21, 2002 and subsequent

Exhibit 4

No Youthful Operator

Calendar Year	Earned Premium	Reported Losses	Loss Ratio	Earned Exposures	Reported Claims	Claim Frequency
2003	3,898,732	2,038,751	52.3%	313,753	6	1.9%
2004	7,110,393	4,643,703	65.3%	491,489	13	2.6%
2005	8,851,381	2,402,500	27.1%	518,925	6	1.2%
2006	2,363,886	0	0.0%	132,970	0	0.0%
Total	22,224,392	9,084,954	40.9%	1,457,136	25	1.7%

Youthful Operator

Calendar Year	Earned Premium	Reported Losses	Loss Ratio	Earned Exposures	Reported Claims	Claim Frequency
2003	732,994	1,109,158	151.3%	41,649	5	12.0%
2004	1,478,013	2,625,000	177.6%	73,042	7	9.6%
2005	2,040,528	7,648,000	374.8%	87,310	11	12.6%
2006	577,465	750,000	129.9%	23,940	1	4.2%
Total	4,828,999	12,132,158	251.2%	225,940	24	10.6%

Total

Calendar Year	Earned Premium	Reported Losses	Loss Ratio	Earned Exposures	Reported Claims	Claim Frequency
2003	4,631,726	3,147,909	68.0%	355,401	11	3.1%
2004	8,588,406	7,268,703	84.6%	564,530	20	3.5%
2005	10,891,909	10,050,500	92.3%	606,235	17	2.8%
2006	2,941,351	750,000	25.5%	156,910	1	0.6%
Total	27,053,391	21,217,112	78.4%	1,683,077	49	2.9%